

This rule was filed as 13 NMAC 9.4.

TITLE 13 INSURANCE
CHAPTER 9 LIFE INSURANCE AND ANNUITIES
PART 4 CORPORATE AND PARTNERSHIP LIFE INSURANCE

13.9.4.1 ISSUING AGENCY: New Mexico State Corporation Commission [Public Regulation Commission], Department of Insurance, Post Office Box 1269, Santa Fe, NM 87504-1269.
[7/1/97; Recompiled 11/30/01]

13.9.4.2 SCOPE: This rule applies to corporations and partnerships that insure the life of any director, partner, officer, agent or employee where the corporation or partnership is named as a beneficiary in or assignee of the life insurance policy.
[7/1/97; Recompiled 11/30/01]

13.9.4.3 STATUTORY AUTHORITY: Section 59A-2-9 NMSA 1978.
[7/1/97; Recompiled 11/30/01]

13.9.4.4 DURATION: Permanent.
[7/1/97; Recompiled 11/30/01]

13.9.4.5 EFFECTIVE DATE: July 1, 1997, unless a later date is cited at the end of a section or paragraph.
[7/1/97; Recompiled 11/30/01]
[Compiler's note: The words *or paragraph*, above, are no longer applicable. Later dates are now cited only at the end of sections, in the history notes appearing in brackets.]

13.9.4.6 OBJECTIVE: The purpose of this rule is to establish requirements for evidence of authority when a corporation or partnership insures the life of any director, partner, officer, agent or employee and the corporation or partnership is named as a beneficiary in or assignee of the life insurance policy.
[7/1/97; Recompiled 11/30/01]

13.9.4.7 DEFINITIONS: [RESERVED]

13.9.4.8 LIFE INSURANCE ON DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES OF CORPORATIONS:

A. **Evidence of authority:** Whenever 1) a corporation organized under the laws of this state causes to be insured the life of any director, officer, agent or employee; and 2) the corporation is named as a beneficiary in or assignee of the life insurance policy, the corporation's authority to effect, assign, release, relinquish, convert, surrender, change the beneficiary, or to take any other or different action with reference to the insurance shall be demonstrated by a written statement to that effect that is signed by the president and the secretary or other corresponding officer of the corporation. The statement shall be binding upon the corporation and shall serve as sufficient evidence of corporate authority for purposes of the insurance company. The statement shall protect the insurance company in any act done or suffered by it in good faith reliance on the statement without the need for further inquiry into the validity of the corporate authority or the regularity of the corporate proceedings.

B. **Actions of directors:** No person shall be disqualified, by reason of interest in the subject matter, from acting as a director or as a member of the executive committee of a corporation on any corporate act relating to this type of insurance.
[7/1/97; Recompiled 11/30/01]

13.9.4.9 LIFE INSURANCE ON A PARTNER OR PARTNERS, OFFICERS, AGENTS AND EMPLOYEES OF PARTNERSHIPS:

A. **Evidence of authority:** Whenever 1) a partnership organized under the laws of this state causes to be insured the life of one or all of the partners or a partnership officer, agent, or employee; and 2) the partnership is named as a beneficiary in or assignee of the life insurance policy, the partnership's authority to effect, assign,

release, relinquish, convert, surrender, change the beneficiary, or to take any other or different action with reference to the insurance shall be demonstrated by a written statement to that effect that is signed by any partner. The statement shall be binding upon the partnership and shall serve as sufficient evidence of partnership authority for purposes of the insurance company. The statement shall protect the insurance company in any action done or suffered by it in good faith reliance on the statement without the need for further inquiry into the validity of the partnership authority or the regularity of the partnership proceedings.

B. **Actions of partners:** No person shall be disqualified, by reason of interest in the subject matter, from acting as a partner of the partnership on any partnership action relating to this type of insurance.
[7/1/97; Recompiled 11/30/01]

HISTORY OF 13.9.4 NMAC:

Pre-NMAC History: The material in this rule was originally filed with the State Records Center as: ID 67-1, Sections 8-1-1 through 8-1-2, New Mexico Official Administrative Rules and Regulations Code, on 12/1/67.

History of Repealed Material: [RESERVED]